



FOR IMMEDIATE RELEASE

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Donelon announces fourth round of Citizens depopulation a success

Louisiana Insurance Commissioner Jim Donelon announced today that the recently completed fourth round of depopulation from the Louisiana Citizens Property Insurance Corporation (Citizens) has achieved significant results with 13,500 policies being assumed into the private insurance market. In 2009, the market share of Citizens fell to 6.4% of the total Louisiana homeowners market, an amount lower than the Citizens homeowners market share on the day prior to Hurricane Katrina. That share placed Citizens third in terms of size of the market. With this new strong round of take outs, Citizens is predicted to have dropped to below a 6% market share and rank 5th or 6th in size of market share in our state. This decline is further evidence that the homeowners market in Louisiana continues its recovery from Hurricanes Katrina and Rita. Citizens is the homeowners insurer of last resort in Louisiana, which saw a significant rise in written premiums in the aftermath of Hurricanes Katrina and Rita with its policy count spiking to 174,000 policies in September of 2008. With the removal of these 13,500 policies, Citizens total will drop to 119,000.

This reduction of Citizens policies benefits all property owners by preventing or reducing future assessments that could be charged to all property insurance consumers in Louisiana. Another benefit for Louisiana property owners is that policies taken out of Citizens and written in the private insurance market will be written at lower premiums. This is because the rates charged by Citizens are required by law to be residual or, put another way, the highest rates in a parish. Many policyholders have lowered their premiums by hundreds, even thousands, of dollars after being written by a private insurance company instead of Citizens.

Commissioner Donelon said, "I am very encouraged by these numbers, and I believe they indicate significant improvement in the recovery of the Louisiana property insurance market. The reduction in market share of Citizens is a great indicator that the homeowners insurance market, as well as the commercial property insurance market, in Louisiana is rebounding from the severe hit we

suffered as a result of Hurricanes Katrina and Rita. On behalf of Louisiana property owners I welcome new companies into the Louisiana market and encourage other companies to join us.”

In the three previous rounds of Citizens depopulation, Citizens saw the following reduction in policy counts: Round one 26,595 policies on June 1, 2008, round two 13,343 policies on December 1, 2008 and round three 3,368 policies on April 1, 2009. Contact the Louisiana Department of Insurance at 1-800-259-5300 or www.lds.state.la.us with questions or comments regarding this press release.